

Executive Summary Report

Appraisal Date 1/1/05- 2006 Assessment Roll

Specialty Name: Mini-Storage Facilities

Sales – Improved Analysis Summary:

Number of Sales 7

Range of Sales Dates: 11/2003 – 04/2005

Sales – Ratio Study Summary:				
	Avg. Improved Value	Avg. Sale Price	Ratio	COV
2005Value	\$ 3,174,700	\$ 3,490,800	90.90%	16.02%
2006Value	\$ 3,318,700	\$ 3,490,800	95.10%	12.36%
Change	+ \$ 144,000		+ 4.20%	- 3.66%
% Change	+ 4.54%		+ 4.62%	- 22.85%

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of – 3.66 and – 22.85% actually represent an improvement.

Sales used in Analysis: All sales verified as ‘good’ were included in the analysis. The sales considered indicate a slight upward trend in market value, but the limited number of recent sales reduces reliability.

Total Population - Parcel Summary Data:

	Land	Imps	Total
2005Value	\$ 197,372,500	\$ 375,039,900	\$ 572,412,400
2006Value	\$ 230,336,190	\$ 383,435,510	\$ 613,771,700
Percent Change	+ 16.70%	+ 2.24%	+ 7.23%

Number of Parcels in the Population: 163

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity, assessment level and equity, we recommend posting them for the 2006 Assessment Roll.

Analysis Process

Specialty

Specialty Area – 608 Mini-Storage Facilities

Highest and Best Use Analysis

As if vacant: Market analyses of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the land.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and therefore are the highest and best use of the property as improved. In those properties where the property is not at its highest and best use a token value of \$1,000.00 is assigned to the improvements.

Special Assumptions, Departures and Limiting Conditions

All three approaches to value were considered in this analysis.

The following Departmental guidelines were considered and adhered to:

- ✚ No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years of market information without time adjustments averaged any net changes over that time period.
- ✚ This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Specialty Area 608: Mini-Storage

Boundaries: All Mini-Storage Facilities in King County

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Area 608, mini-storage facilities are located throughout King County. The larger and newer facilities are located in the urban areas of the county. Firms such as Mr. Van Guard, Store More, Public Storage, and Shurguard have multiple locations. There are also a number of independent operators in the business. Most mini-storage facilities have good exposure and high visibility. They are also located nearer large complexes of multi-family housing. The newer units are one story or one and two story buildings that you can drive up to for easy access. Within the city limits of Seattle, older warehouses have been converted to mini-storage facilities. They have large freight elevators to expedite the process of storage on the upper levels. Area 608 was divided into 2 sub areas, 608-10 and 608-20. Area 608-10 is all mini-storage facilities in Seattle, North Seattle, and the Eastside. Area 608-20 is all mini-storage facilities in the South-end of King County.

Physical Inspection Identification:

Mini-storage valuations were performed in all areas of King County. Approximately 17% of the population was inspected, specifically in the northern part of the southwest quadrant of King County, north Seattle and north King County, between January and June of 2006.

Preliminary Ratio Analysis

The pre-value analysis indicates that the overall values for these facilities have increased since the last revalue. A Preliminary Ratio Study was completed prior to the application of the 2006 recommended values. This study benchmarks the current assessment level using 2005 posted values. The study was also repeated after application of the 2006 recommended values. The results are included in the validation section of this report, showing an improvement in the COV from 16.02% to 12.36%.

Scope of Data

Land Value Data:

The geographic appraiser in the area in which the specialty mini-storage property is located is responsible for the land value used by the mini-storage specialty appraiser. See appropriate area reports for the land valuation.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the “Sales Used” and the “Sales Not Used” sections of this report. Additional information resides in the Assessor’s procedure manual located in the Public information area of the King County Administration Building.

Sales comparison approach model description

Only those sales verified and coded as “good” were considered in the process of this revalue. There were a total of 7 improved sales countywide considered as “good” sales. These sales were considered on the basis of price per square foot of net rentable area. Although, there were too few sales to develop a model for sales comparison, these sales were used as a general guideline check on the values indicated by the income approach.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was also based on studies done by Marshall & Swift Valuation Service. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. Cost estimates served as value indicators for new construction projects.

Cost calibration

The Marshall & Swift cost modeling system built in to the Real Property Application is calibrated to the western region of the United States and the Seattle area.

Income capitalization approach model description

The Income Approach to value was considered the most reliable valuation approach for the mini-storage properties in this revalue cycle. The mini-storage facilities in King County were divided into two separate neighborhoods and assigned to one of two income tables derived by the mini-storage specialist. Income tables were developed for each economic neighborhood in Specialty Area 608 for use in the department’s commercial income capitalization program. They are broken down by neighborhood and the Marshall & Swift occupancy codes. The rates for rents, vacancy, expenses and capitalization parameters were derived from the market place through the sales listed, as well as through market surveys and available publications.

Income approach calibration

The models were calibrated after setting base rents by using adjustments based on size, effective age, construction class and quality as recorded in the Assessor's records. See income Tables 608-10 and 608-20 included in this report. Area 608-10 is all mini-storage facilities in Seattle, North Seattle, and the Eastside. Area 608-20 is all mini-storage facilities in the South-end of King County.

The lease up period for newly constructed facilities was considered by adjusting the vacancy rate and the cap rates upward, and then reconciliation with the cost approach.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

All parcels were individually reviewed by the specialty appraiser for correctness of the model application before final value selection. All factors used to establish value by the model were subject to adjustment.

Model Validation

Total Value Conclusions, Recommendations and Validation:

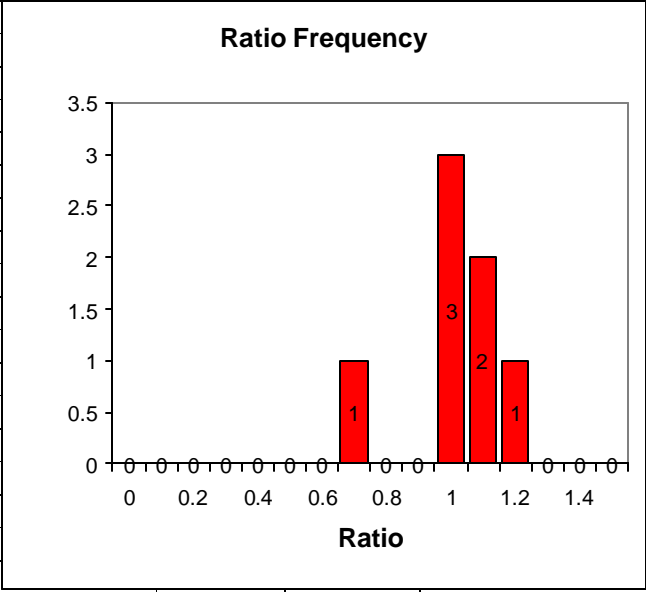
Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust particular characteristics and conditions as they occur in the valuation area.

The standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2005 and 2006 Ratio Analysis charts included in this report. The 2006 Ratio Study Analysis indicates that the statistical measure of assessment level went from 90.9% to 95.1%, the Coefficient of Dispersion (COD) went from 9.94% to 7.02%, and the Coefficient of Variation (COV) went from 16.02% to 12.36%. The Price-related Differential (PRD) improved from 1.06 to 1.02. The improved statistical measures are within the IAAO guidelines and demonstrate an improvement in uniformity and equity.

The Specialty Appraiser recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

The total assessed value for the 2005 assessment year, for specialty area 608, was \$572,412,400 and the total recommended assessed value for the 2006 assessment year is \$613,771,700. Application of these recommended values for the 2006 assessment year results in a total increase from the 2005 assessments of + 7.23%. This increase is due to upward market changes over time and the previous assessment levels.

Area 608 – Mini Storage
2005 Assessment Year

Quadrant/Crew:	Lien Date:	Date:		Sales Dates:
Central Crew	1/1/2005	6/22/2006		11/22/03 - 04/14/05
Area	Appr ID:	Prop Type:		Trend used?: Y / N
608	JARL	Improvement		N
SAMPLE STATISTICS				
Sample size (n)	7	<div style="text-align: center;"> Ratio Frequency  <p>The histogram shows the frequency of ratios. The x-axis is labeled 'Ratio' and ranges from 0 to 1.4. The y-axis is labeled 'Ratio Frequency' and ranges from 0 to 3.5. There are four bars: the first bar (ratio ~0.7) has a frequency of 1; the second bar (ratio ~1.0) has a frequency of 3; the third bar (ratio ~1.1) has a frequency of 2; and the fourth bar (ratio ~1.2) has a frequency of 1.</p> </div>		
Mean Assessed Value	3,174,700			
Mean Sales Price	3,490,800			
Standard Deviation AV	1,734,553			
Standard Deviation SP	2,117,193			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.963			
Median Ratio	0.993			
Weighted Mean Ratio	0.909			
UNIFORMITY				
Lowest ratio	0.6791			
Highest ratio:	1.1930			
Coefficient of Dispersion	9.94%			
Standard Deviation	0.1543			
Coefficient of Variation	16.02%			
Price-related Differential	1.06			
RELIABILITY				
95% Confidence: Median		<div style="border: 1px solid black; padding: 5px;"> <p>These figures reflect measurements <u>before</u> posting new values.</p> </div>		
Lower limit	0.679			
Upper limit	1.193			
95% Confidence: Mean				
Lower limit	0.849			
Upper limit	1.077			
SAMPLE SIZE EVALUATION				
N (population size)	163			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1543			
Recommended minimum:	31			
Actual sample size:	7			
Conclusion:				
NORMALITY				
Binomial Test				
# ratios below mean:	3			
# ratios above mean:	4			
z:	0			
Conclusion:	Normal*			
<small>*i.e., no evidence of non-normality</small>				

Area 608 – Mini Storage
2006 Assessment Year

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:								
Central Crew	1/1/2006	6/27/2006	11/22/03 - 04/14/05								
Area	Appr ID:	Prop Type:	Trend used?: Y / N								
608	JARL	Improvement	N								
SAMPLE STATISTICS											
Sample size (n)	7	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.8</td><td>1</td></tr><tr><td>1.0</td><td>3</td></tr><tr><td>1.1</td><td>3</td></tr></tbody></table>		Ratio	Frequency	0.8	1	1.0	3	1.1	3
Ratio	Frequency										
0.8	1										
1.0	3										
1.1	3										
Mean Assessed Value	3,318,700										
Mean Sales Price	3,490,800										
Standard Deviation AV	1,885,174										
Standard Deviation SP	2,117,193										
ASSESSMENT LEVEL											
Arithmetic mean ratio	0.974										
Median Ratio	0.993										
Weighted Mean Ratio	0.951										
UNIFORMITY											
Lowest ratio	0.7168										
Highest ratio:	1.0717										
Coefficient of Dispersion	7.02%										
Standard Deviation	0.1204										
Coefficient of Variation	12.36%										
Price-related Differential	1.02										
RELIABILITY											
95% Confidence: Median											
Lower limit	0.717										
Upper limit	1.072	These figures reflect measurements <u>after</u> posting new values.									
95% Confidence: Mean											
Lower limit	0.885										
Upper limit	1.064										
SAMPLE SIZE EVALUATION											
N (population size)	163										
B (acceptable error - in decimal)	0.05										
S (estimated from this sample)	0.1204										
Recommended minimum:	20										
Actual sample size:	7										
Conclusion:											
NORMALITY											
Binomial Test											
# ratios below mean:	2										
# ratios above mean:	5										
z:	0.755928946										
Conclusion:	Normal*										
*i.e., no evidence of non-normality											

Improvement Sales for Area 608 with Sales Used 06/22/2006

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
608	010	182604	9048	57,626	2100763	\$6,384,114	02/07/05	\$110.79	SHURGARD SELF STORAGE	RB	1	Y	
608	010	365770	0005	12,152	2099371	\$1,000,000	02/01/05	\$82.29	E-Z MINI STORAGE	IC-45	1	Y	
608	020	082305	9041	76,500	2052112	\$4,617,500	06/23/04	\$60.36	POTOSHNIK FUEL	RM-I	4	Y	
608	020	132204	9113	68,290	2087323	\$4,458,275	11/19/04	\$65.28	KEEPSAKE MINI STORAGE	M2	1	Y	
608	020	212204	9078	15,648	2115092	\$825,000	04/14/05	\$52.72	MIDWAY STORAGE CENTER	GC	1	Y	
608	020	262205	9110	20,320	2030110	\$2,352,000	04/08/04	\$115.75	MERIDIAN SELF STORAGE	CC	4	Y	
608	020	936060	0225	79,790	2005498	\$4,798,800	11/22/03	\$60.14	AUBURN SELF STORAGE	C3	1	Y	